

## Message Text

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70

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

SAM-01 AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 FRB-03 AGR-05 FEA-01 /101 W

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R 301148Z JUL 76

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 6578

INFO USMISSION OECD PARIS

USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ECON, ETRD, SP

SUBJECT: CALL ON NEW COMMERCE MINISTER

1. NEW COMMERCE MINISTER JOSE LLADO, DURING MY COURTESY CALL JULY 27, DWELT ON DIFFICULTIES IN DEVISING POLICIES TO REDUCE INFLATION WITHOUT EXACERBATING UNEMPLOYMENT. INCREASE IN COST-OF-LIVING INDEX, WHICH HE ESTIMATED WOULD BE 20 PERCENT FOR 1976, IS NOT SURPRISING IN VIEW OF WAGE INCREASES OF 30 PERCENT OVER PAST YEAR. DIFFICULTY, HE SAID, IS FINDING ACCEPTABLE MEASURES TO DEAL WITH PROBLEM IN CURRENT POLITICAL ATMOSPHERE. HE GAVE IMPRESSION THAT NEW GOVERNMENT WILL ATTEMPT TO MODERATE INFLATION WITHOUT ATTEMPTING MAJOR CHANGES IN ECONOMIC POLICIES.

2. SINCE SPAIN IS DEPENDING HEAVILY ON EXPORT DEMAND TO STIMULATE REACTIVATION OF SPANISH ECONOMY, LLADO EXPRESSED INTEREST IN PROSPECTS FOR CONTINUATION OF US RECOVERY. I SAID ALL INDICATORS SUGGEST THAT RECOVERY OF US ECONOMY IS FIRMLY UNDERWAY AND THAT IT WILL BE LIMITED OFFICIAL USE

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GRADUAL BUT SOUND AND STEADY.

3. REGARDING BILATERAL ECONOMIC RELATIONS, LLADO EXPRESSED CONCERN OVER POSSIBILITY US MAY PLACE RESTRICTIONS ON SPANISH ZINC IMPORTS, WHICH LAST YEAR AMOUNTED TO SOME \$18 MILLION. I TOLD HIM I HAD NOT BEEN INFORMED OF ANY COMPLAINT FROM US INDUSTRY REGARDING ZINC IMPORTS BUT WOULD INQUIRE. I REMINDED HIM THAT UNDER TRADE ACT US TREASURY IS OBLIGATED TO INVESTIGATE UPON RECEIVING PETITIONS FROM US INDUSTRY ALLEGING THAT FOREIGN SUPPLIERS ARE BENEFITING FROM SOME FORM OF BOUNTY OR GRANT. WHEN EMBASSY RECEIVED STATE 186910 JULY 29, I INFORMED LLADO OF COUNTERVAILING DUTY PETITION WHICH WOULD ACTIVATE TREASURY INVESTIGATION. HE ASKED WHETHER IMPORTS OF ZINC WOULD BE STOPPED DURING INVESTIGATION AND I ASSURED HIM THEY WOULD NOT.  
STABLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COST OF LIVING, ECONOMIC RECOVERY, UNEMPLOYMENT, ANTIINFLATIONARY PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MADRID05845  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
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**Film Number:** D760295-0645  
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**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Subject:** CALL ON NEW COMMERCE MINISTER  
**TAGS:** ECON, ETRD, SP, US, (LLADO, JOSE)  
**To:** STATE  
**Type:** TE  
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